

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : NOLLE PROSEQUI

-v.- : 19 Cr. 545 (CM)

MICHAEL CARROLL and, :
MICHAEL PAPPAGALLO, :

Defendants. :

- - - - - x

USDC SDNY
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DATE FILED: 4/1/21

1. The filing of this nolle prosequi will dispose of this case with respect to MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants.

2. On July 20, 2019, sealed Indictment 19 Cr. 545 (CM) was returned, charging MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants, with (1) conspiracy to commit securities fraud, in violation of Title 18, United States Code, Section 371; (2) securities fraud, in violation of Title 15, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Sections 240.10b-5 and 244.100(b); and Title 18, United States Code, Section 2; (3) false statements in filings with the Securities and Exchange Commission ("SEC") (in two counts), in violation of Title 15, Sections 78m(a) and 78ff; Title 17, Code of Federal Regulations, Sections 240.12b-20, 240.13a-13, and 244.100(b); and Title 18, United States Code, Section 2; (4) and false certifications of disclosure filed with the SEC (in two

counts), in violation of Title 15, Sections 78m(a) and 78ff; Title 17, Code of Federal Regulations, Section 240.13a-14; and Title 18, United States Code, Section 2.

3. After additional investigation and review, the Government has determined that it cannot prove, beyond a reasonable doubt, that conduct that resulted in accounting adjustments that form a significant portion of the allegedly misstated metric charged in the Indictment was committed as part of the charged scheme to defraud.

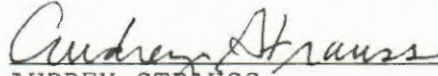
4. In light of the foregoing, I recommend that an order of nolle prosequi be filed as to MICHAEL CARROLL and MICHAEL PAPPAGALLO, the defendants, with respect to Indictment 19 Cr. 545 (CM).

/s/

MARTIN S. BELL
JORDAN L. ESTES
REBECCA MERMELSTEIN
DREW SKINNER
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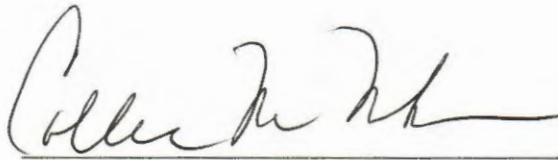
Dated: New York, New York
March __, 2021

Upon the foregoing recommendation, I hereby direct, with leave of the Court, that an order of nolle prosequi be filed as to defendants MICHAEL CARROLL and MICHAEL PAPPAGALLO with respect to Indictment 15 Cr. 545 (CM).



AUDREY STRAUSS
United States Attorney
Southern District of New York

Dated: New York, New York
March 31, 2021



SO ORDERED:

HON. COLLEEN MCMAHON
Chief United States District Judge
Southern District of New York

Dated: New York, New York
1 April, 2021